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WORLD LARD PRODUCTION

CURRENT SERIAL RECORDS

AND TRADE, 1969

Summary

World production of lard in 1969 was estimated at 7,554 million pounds--down 2.7 percent from the 7,762 million produced in 1968. Total exports dropped to 909 million pounds from 921 million for the previous year. Current prospects for 1970 indicate gains in both production and trade from last year.

Production

World lard production in 1969 in the major producing countries was estimated at 7,554 million pounds--down 2.7 percent from the 7,762 million produced in 1968 but still 2.6 percent above the 1961-65 annual average of 7,365 million

Production declines in the United States, European Community (EC), Canada, Japan, Brazil, Denmark, Sweden, Bulgaria, Hungary, Czechoslovakia, and Yugoslavia offset the small gains recorded for East Germany, Poland, the Republic of South Africa, Philippines, Austria, Switzerland, and the United Kingdom. Lard production in most countries, except the United States, continues to show larger percentage increases than pork production, indicating heavier market weights and closer trimming of wholesale cuts. The smaller percentage gain in lard production compared with pork production in the United States is indicative of the continued trend of increasing average yield per animal.

Lard production in North America was down almost 7 percent. The declines in the United States and Canada more than offset the small gain recorded for Mexico. Production in the United States totaled 1,904 million pounds, compared with 2,062 million produced in 1968. Production in Canada dropped to 125 million pounds from 130 million for 1968, while output in Mexico rose to 115 million from 114 million for the previous year.

European lard production was estimated at 2,888 million pounds, or down 1.6 percent from the 1968 level of 2,934 million. EC--particularly France and West Germany--Denmark, and Sweden accounted for the drop in Western Europe while Bulgaria, Czechoslovakia, Hungary, and Yugoslavia more than offset gains recorded in Poland and East Germany for Eastern Europe. Production in the USSR approximated the 1968 figure of 1,690 million pounds.

Production declines in both Brazil and Peru caused the drop recorded for South America. Japan caused the decline in Asia which offset the gain recorded for the Philippines. Larger production in the Republic of South Africa accounted for the gain in Africa while New Zealand accounted for the increase in Oceania.

World lard production for 1970 is expected to show a slight increase over 1969. Small gains for the EC, Eastern Europe, and the USSR are expected to offset the further decline in production currently forecast for the United States.

Trade

Lard exports from the major producing countries last year dropped to 909 million pounds from 921 million for 1968. Smaller exports from the USSR, the Netherlands, France, Italy, Romania, and Denmark accounted for the decline. Countries recording significant gains from 1968 included the United States and Belgium.

The United States recaptured its lead as the world's largest exporter of lard again in 1969. The USSR was the largest exporter in 1968 and ranked second in 1969. The United States exports last year totaled 261 million pounds, compared with 175 million in 1968 and the 1961-65 annual average of 462 million. The USSR's exports dropped to 141 million pounds in 1969 from 213 million for 1968 but were still substantially above the 1961-65 annual average of 48 million.

U.S. Share Turns Upward. After declining steadily for four years, the U.S. share of world exports rose to 29 percent from 19 percent for 1968 but was still significantly below the 1961-65 annual average of 54 percent. The export payment program on shipments to the United Kingdom brought about this reversal. The rate of payment was 2 cents per pound through August 15, 1969, and then was dropped to 1 cent per pound, which has remained unchanged through mid-1970. The program was initiated in December 1968 only after bilateral consultations with the EC failed and the United Kingdom refused to apply countervailing duties against the EC.

EC lard exports to third countries in 1969 dropped to 275 million pounds from the 1968 high of 308 million. Smaller shipments to the United Kingdom accounted for most of the decline caused by the significant reduction in export supplies--domestic and refined foreign. This short supply situation caused the EC to lower its subsidy rate from the equivalent of 3.35 U.S. cents per pound effective on May 28, 1968 to 2.95 cents on August 1, 1969, 2.49 cents on November 1, 1969, and 2.27 cents on February 1, 1970.

Lard exports in 1969 from Eastern Europe--Bulgaria, Poland, and Romania-- totaled 66 million pounds, compared with 64 million in 1968, 122 million in 1967, and 136 million in 1966. Poland's exports declined from 60 million pounds in 1966 to almost nil in both 1968 and 1969. Also, exports from the USSR dropped to 141 million pounds in 1969 from 213 million in 1968.

World Imports Down Slightly. Lard imports by the world's principal importers in 1969 totaled 809 million pounds, down almost 5 percent from the 848 million in 1968. The United Kingdom continued to be the world's largest importer and still accounts for about one-half of the total imports. Cuba ranked second, followed by Belgium, Mexico, the Netherlands, Canada, and South Korea. These seven countries accounted for about 80 percent of total world imports last year.

U.K. imports in 1969 totaled 393 million pounds, compared with 427 million in 1968. The decline is attributed to the drop in demand for direct consumption--down from the 1968 high of 391 million pounds to 379 million in 1969. Simultaneously, the demand for lard used in the manufacture of margarine and compound fats continued to decline, being supplanted by lower priced substitutes. Use of lard in the manufacture of margarine and compound fats declined from the 1964 high of 258 million pounds to 40 million in 1969 and is likely to approximate only 25 to 30 million in 1970.

The U.S. share of the British market in 1969 reversed its steady downward trend of the last few years, rising from 29.0 percent in 1968 to 45 percent in 1969, but was still considerably below the 1964 high of 89 percent. The export payment was the prime factor in aiding to recapture a part of our fair share of the British market last year. It is probable that the U.S. share will exceed 50 percent during 1970--still far short of the 77 percent for the 1961-65 period.

Outlook for Trade. World trade in lard during 1970 is expected to show a small gain over that in 1969 because of larger export availabilities during the last half of 1970. Supplies available for export during the first half were tight and are expected to ease moderately during the last half as hog slaughter increases, accompanied with some weakening in market prices for lard.

Table 1.--Lard: Estimated production for specified countries,
average 1961-65, annual 1967-69

Continent and country	Average 1961-65	1967	1968	1969 ^{1/}
	Million <u>pounds</u>	Million <u>pounds</u>	Million <u>pounds</u>	Million <u>pounds</u>
North America:				
Canada.....	127	137	130	125
United States.....	2,397	2,076	2,062	1,904
Mexico.....	95	112	114	115
Other countries.....	26	32	34	35
Total North America.....	2,645	2,357	2,340	2,179
South America:				
Argentina.....	58	72	62	62
Brazil.....	196	202	198	187
Chile.....	14	16	16	---
Colombia.....	14	13	13	---
Peru.....	14	14	13	12
Venezuela.....	9	10	11	12
Other countries.....	12	13	12	12
Total South America <u>2/</u>	317	340	325	314
Europe:				
Western:				
EC:				
Belgium and Luxembourg.....	41	57	63	63
France.....	153	167	162	146
Germany, West.....	569	621	677	670
Italy.....	44	47	53	55
Netherlands.....	44	71	76	76
Total EC.....	851	963	1,031	1,010
Austria.....	79	71	73	75
Denmark.....	79	90	88	82
Portugal.....	21	20	21	22
Spain.....	23	35	37	---
Sweden.....	18	19	21	18
Switzerland.....	19	21	23	25
United Kingdom.....	23	24	25	26
Other countries.....	14	16	15	17
Total Other Western Europe <u>2/</u> ...	276	296	304	303
Total Western Europe <u>2/</u>	1,127	1,259	1,335	1,313

(Continued)

Table 1.--Lard: Estimated production for specified countries,
average 1961-65, annual 1967-69 (continued)

Continent and country	Average 1961-65	1967	1968	1969 ^{1/}
	Million pounds	Million pounds	Million pounds	Million pounds
Europe (continued):				
Eastern:				
Bulgaria.....	68	80	88	79
Czechoslovakia.....	187	200	212	202
Germany, East.....	263	325	337	342
Hungary.....	158	162	---	---
Poland.....	489	536	525	---
Yugoslavia.....	249	253	262	246
Total Eastern Europe <u>2/</u>	1,414	1,556	1,599	1,575
Total Europe <u>2/</u>	2,541	2,815	2,934	2,888
USSR (Europe and Asia).....	1,560	1,860	1,690	1,690
Africa:				
South Africa, Republic of.....	18	21	23	28
Other countries.....	3	3	3	3
Total Africa.....	21	24	26	31
Asia:				
China, Taiwan.....	68	97	100	---
Japan.....	117	221	206	200
Philippines.....	81	112	119	127
Other countries.....	---	---	---	---
Total Asia <u>2/</u>	266	430	425	428
Total Oceania.....	15	20	22	24
World total <u>2/</u>	7,365	7,846	7,762	7,554

^{1/} Preliminary. ^{2/} Includes an allowance for any missing data for countries shown.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research and related information.

Table 2.--Lard: U.S. world production and exports,
average 1961-65, annual 1967-69

Year	World		United States			
	Pro- duction	Exports	Pro- duction	Exports	Exports as percent of	
					World	U.S.
					exports	pro- duction
	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent
Average: 1961-65...	7,360	854	2,397	462	54	19
Annual:						
1967.....	7,850	790	2,076	189	24	9
1968.....	7,760	921	2,062	175	19	8
1969 <u>1</u> /...	7,560	909	1,904	261	29	14

1/ Preliminary.

Table 3.--Lard: Exports from specified countries,
average 1961-65, annual 1967-69

Country	Average 1961-65	1967	1968	1969 <u>1</u> /
	Million pounds	Million pounds	Million pounds	Million pounds
United States.....	462	189	175	261
USSR <u>2</u> /.....	48	163	213	<u>3</u> /141
Belgium and Luxembourg <u>4</u> /.....	28	48	68	114
Netherlands <u>5</u> /.....	121	77	100	96
France.....	83	90	95	71
Italy.....	11	13	80	48
Romania.....	2	46	37	<u>3</u> /22
Germany, West.....	4	16	35	37
Argentina.....	14	24	23	25
Bulgaria <u>2</u> /.....	16	41	26	<u>3</u> /44
Denmark.....	32	31	25	<u>4</u> /22
Poland <u>2</u> /.....	18	35	1	---
Sweden.....	6	5	8	7
Other countries.....	9	12	35	21
Total.....	854	790	921	909

1/ Preliminary. 2/ Oil World. 3/ Oil World net exports. 4/ Includes leaf lard.
5/ Includes lard processed from imported hog grease.

Table 4.--Lard: Exports of specified countries by country of destination,
average 1961-65, annual 1967-69

Exporting country and country of destination	Average 1961-65	1967	1968	1969 <u>1/</u>
	Million pounds	Million pounds	Million pounds	Million pounds
<u>United States:</u>				
United Kingdom.....	363	134	106	186
Mexico.....	10	16	24	35
Canada.....	17	17	21	20
Korea, Republic of.....	<u>2/</u>	<u>2/</u>	---	6
Haiti.....	7	6	6	3
British Honduras.....	2	3	3	3
Japan.....	1	1	<u>2/</u>	2
Panama.....	3	2	2	1
Germany, West.....	15	4	1	1
Other countries.....	<u>3/44</u>	6	12	4
Total.....	462	189	175	261
<u>USSR: 4/</u>				
Cuba.....	30	72	89	---
Czechoslovakia.....	6	23	22	---
Other countries.....	12	68	102	---
Total.....	48	163	213	<u>5/6/141</u>
<u>Belgium and Luxembourg: 7/</u>				
United Kingdom.....	17	33	49	76
Japan.....	---	---	---	28
Netherlands.....	<u>2/</u>	---	10	---
Germany, West.....	3	6	---	---
Cuba.....	7	5	---	---
Other countries.....	1	4	9	10
Total.....	28	48	68	114
<u>Netherlands: 8/</u>				
United Kingdom.....	6	38	45	42
Bolivia.....	9	13	24	21
Belgium and Luxembourg.....	1	1	5	8
Japan.....	14	6	9	6
Cuba.....	36	2	---	5
Chile.....	3	4	6	2
Germany, West.....	13	3	2	2
Hong Kong.....	6	2	2	2
Portugal.....	2	4	1	1
Peru.....	14	<u>2/</u>	<u>2/</u>	---
Hungary.....	7	---	---	---
Other countries.....	10	4	6	6
Total.....	121	77	100	96

(Continued)

Table 4.--Lard: Exports of specified countries by country of destination, average 1961-65, annual 1967-69 (continued)

Exporting country and country of destination	Average 1961-65	1967	1968	1969 ^{1/}
	Million pounds	Million pounds	Million pounds	Million pounds
France:				
Belgium and Luxembourg.....	23	11	19	44
United Kingdom.....	41	59	63	23
Reunion.....	5	5	4	3
Cuba.....	2	3	4	---
Germany, West.....	4	<u>2/</u>	<u>2/</u>	<u>2/</u>
Hungary.....	2	6	---	<u>2/</u>
Other countries.....	6	6	5	1
Total.....	83	90	95	71
Germany, West:				
United Kingdom.....	<u>2/</u>	6	10	18
Netherlands.....	1	3	14	9
Belgium and Luxembourg.....	1	5	8	6
Denmark.....	---	1	1	3
Other countries.....	2	1	2	1
Total.....	4	16	35	37
Denmark:				
United Kingdom.....	17	22	21	18
Germany, West.....	4	4	3	3
Hungary.....	5	2	---	1
Poland.....	2	1	<u>2/</u>	<u>2/</u>
Czechoslovakia.....	2	---	---	---
Other countries.....	2	2	1	---
Total.....	32	31	25	22

^{1/} Preliminary. ^{2/} Less than 500,000 pounds. ^{3/} Includes 8.5 million pounds to Cuba, 5.9 to Yugoslavia, 3.4 to Czechoslovakia, and 3.9 to Brazil. ^{4/} Oil World. ^{5/} Oil World, net exports. ^{6/} Breakdown by country of destination not available. ^{7/} Includes leaf lard. ^{8/} Includes lard processed from imported hog grease.

Table 5.--Lard: Imports of specified countries,
average 1961-65, annual 1967-69

Country	Average 1961-65	1967	1968	1969 ^{1/}
	Million <u>pounds</u>	Million <u>pounds</u>	Million <u>pounds</u>	Million <u>pounds</u>
United Kingdom.....	483	414	427	393
Cuba ^{2/}	90	115	121	110
Belgium and Luxembourg ^{3/}	15	25	23	37
Mexico ^{4/}	10	16	24	35
Netherlands.....	2	9	31	33
Canada.....	21	24	28	30
Korea, Republic of.....	---	2	18	24
Czechoslovakia.....	26	30	---	---
Poland.....	6	32	32	22
Bolivia ^{5/}	17	20	24	21
Chile.....	17	19	23	19
Yugoslavia.....	9	24	19	17
Germany, West.....	36	14	11	12
Hungary ^{6/}	25	46	12	11
Japan.....	15	7	5	5
Hong Kong.....	9	5	5	---
USSR.....	27	3	3	---
Peru.....	18	2	3	1
Other countries.....	15	15	14	8
Total.....	841	822	848	809

^{1/} Preliminary.

^{2/} Oil World.

^{3/} Includes leaf lard.

^{4/} U.S. exports.

^{5/} From principal exporting countries.

^{6/} Oil World. Estimated at 75 percent reported by this source.

^{7/} Includes an allowance for any missing data for countries shown.

Table 6.--Lard: United Kingdom, imports by country of origin,
average 1961-65, annual 1967-69

Country of origin	Average 1961-65	1967	1968	1969 ^{1/}
	Million pounds	Million pounds	Million pounds	Million pounds
United States.....	374	163	124	178
Belgium and Luxembourg.....	34	93	117	80
Netherlands.....	8	27	33	43
Italy.....	4	1	52	27
France.....	24	16	34	19
Denmark.....	17	22	20	17
Romania.....	1	43	30	9
Germany, West.....	7	13	5	9
Sweden.....	4	4	7	5
Canada.....	2/	2/	2	2
Switzerland.....	2/	1	2	1
Poland.....	8	22	2/	2/
Bulgaria.....	---	8	2/	2/
Other countries.....	2	1	1	3
Total.....	483	414	427	393

^{1/} Preliminary. ^{2/} Less than 500,000 pounds.

Table 7.--Lard: EC trade by country of origin and destination,
average 1961-65, annual 1967-69 ^{1/}

Country	Average 1961-65	1967	1968	1969 ^{2/}
	Million pounds	Million pounds	Million pounds	Million pounds
Imports:				
Country of origin:				
Germany, East.....	1	4	14	20
Denmark.....	5	5	6	10
Switzerland.....	3/	2	6	8
Spain.....	---	---	---	7
United States.....	8	5	2	1
Other countries.....	6	3	6	7
Total.....	20	19	34	53
Exports:				
Country of destination:				
United Kingdom.....	72	141	231	177
Japan.....	14	6	9	34
Bolivia.....	9	13	24	21
Cuba.....	45	11	5	15
Chile.....	3	4	6	3
Hungary.....	10	6	---	5
Reunion.....	5	5	4	3
Other countries.....	38	27	29	17
Total.....	196	213	308	275

^{1/} Excludes intra-trade among member countries. ^{2/} Preliminary. ^{3/} Less than 500,000 pounds.

Table 8.--Lard: Supply and distribution in the United Kingdom,
average 1961-65, annual 1967-69

Item	Average 1961-65	1967	1968	1969 <u>1/</u>
	Million <u>pounds</u>	Million <u>pounds</u>	Million <u>pounds</u>	Million <u>pounds</u>
<u>Supply:</u>				
Domestic production.....	23	24	25	26
Imports.....	483	414	427	393
Total.....	506	438	452	419
<u>Distribution:</u>				
Used in margarine and compounds.....	169.7	58.7	51.5	40.3
Exports.....	---	---	---	---
Consumption.....	331.6	371.7	391.1	378.7
Stock change.....	+4.7	+7.6	+9.4	<u>2/</u>
Total.....	506.0	438.0	452.0	419.0

1/ Preliminary. 2/ Not available.

Table 9.--Lard: Principal foreign suppliers' percentage share of
total United Kingdom imports, average 1961-65, annual 1967-69

Supplier	Average 1961-65	1967	1968	1969 <u>1/</u>
	Percent	Percent	Percent	Percent
United States.....	77.4	39.4	29.0	45.3
EC.....	15.9	36.2	56.4	45.3
Other countries.....	6.7	24.4	14.6	9.4
Total.....	100.0	100.0	100.0	100.0

1/ Preliminary.

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